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United Nations

Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 January–31 December 2016

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Letter dated 23 October 2017 from the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the President of the General Assembly

I have the honour to submit to the General Assembly the annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for 2016. The report is submitted in compliance with the request contained in paragraph 21 of General Assembly resolution 302 (IV) of 8 December 1949 and with paragraph 8 of its resolution 1315 (XIII) of 12 December 1958.

As in previous years, the report describes developments in the Agency's fields of operation in Jordan, Lebanon, the Syrian Arab Republic and the occupied Palestinian territory, including East Jerusalem. The report also describes significant legal matters, ongoing reforms of programmes and management systems, and our financial situation, and presents detailed measures of performance in implementing human development goals, as set out in the Agency's medium-term strategy for 2016–2021.

The Advisory Commission of UNRWA, comprising 27 Member States and 3 observers, endorsed the draft of the present report following circulation prior to its session held in May 2017. The Commission plays a crucial role in providing advice to the Commissioner-General of UNRWA on key matters affecting the work of the Agency. In accordance with usual practice, a draft of the report has also been shared with the Government of Israel.

The extreme conditions facing many refugees, described in this report, have neither changed markedly nor improved since 2016. There have instead been painful reminders of how tenacious their predicament is over decades. In June, Palestinians marked 50 years of occupation and 10 years of blockade on the Gaza Strip. There has been little escape from the pressures, violence and humiliation: a majority of Palestinians in the West Bank (including East Jerusalem) and the Gaza Strip have been born and raised under occupation and exposed to its pernicious effects, including Palestine refugees who number almost 2 million.

The predicament of the Palestine refugee community has worsened unimaginably with the conflict in the Syrian Arab Republic, which is now in its seventh year, leaving much of the country in ruins and basic tenets of international law violated. A majority of the refugees have experienced multiple displacements, seen their homes destroyed and lost their livelihoods. Out of a registered population of 560,000, some 438,000 remain in the Syrian Arab Republic, of whom 95 per cent are reliant on humanitarian aid provided by UNRWA.

Jordan and Lebanon both hosted refugee populations before the outbreak of conflict in the Syrian Arab Republic and now find themselves sheltering millions more refugees from the Syrian Arab Republic. Extraordinary responsibilities have been assumed by both Governments in accommodating them. With multiple large, long-term refugee populations in those countries, the Agency's stabilizing role in providing basic services to Palestine refugees is as important as ever.

In this complex and high-risk landscape, UNRWA continues operating with ingenuity and dedication, strengthening the resilience of the refugees. But it constantly grapples with threats on other fronts. Time and again the opportunity of this letter has been used to alert the General Assembly to its financial situation and efforts to address it. This year is no different, and in submitting the letter in October I am able to share important developments with the Assembly.

Against the backdrop of severe funding shortfalls since 2015, unprecedented consultations with Member States and international financial institutions were carried out earlier this year under the auspices of the Secretary-General of the United Nations. Throughout the consultations, the international community reaffirmed the Agency's mandate, the value of its work and the need to ensure that it keeps delivering effectively. In support of the report and recommendations of the Secretary-General dated 30 March 2017 (A/71/849), new commitments were made to achieving sufficient, predictable and sustained funding for the Agency's core needs, and I appeal to stakeholders to work collectively towards fulfilling this critical objective.

I have been very encouraged by the global nature of the support for UNRWA and the Palestine refugees that has been revived through this process, and wish in particular to express strong appreciation to Palestine, Switzerland and Turkey for their robust contributions to this achievement. Half a year into the process, stakeholders have invested energy and we are beginning to see progress in implementing a number of key recommendations of the Secretary-General. The proposed establishment of a trust fund for UNRWA administered by the World Bank Group is an important milestone, coupled with engagement of the Islamic Development Bank to establish a *waqf* in support of UNRWA. The efforts of the Organization of Islamic Cooperation (OIC) to encourage greater voluntary contributions by its members to UNRWA, their facilitation of engagement with the Islamic Development Bank and the high-level event in United Nations Headquarters on 22 September sponsored by OIC and co-hosted by Jordan and Sweden in support of UNRWA, are very important steps in securing sufficient resources for UNRWA. Moreover, a number of donors are now pursuing multi-year contribution arrangements which provide greater predictability to UNRWA and will strengthen our resource mobilization planning and targeting. In addition, last week a major institution supporting Islamic philanthropy designated the Agency's programmes of assistance to the most vulnerable refugees as eligible to receive zakat, giving potential to access a significant source of private humanitarian resources.

Moving forward, these and other initiatives will be essential for attaining the Agency's financial stability in line with the recommendations of the Secretary-General. UNRWA will work actively with all its partners and with all Member States towards taking these recommendations forward. It is therefore of great concern that this year we remain in financial jeopardy. Following generous pledges announced at the 22 September event, our projected shortfall has been reduced to $77 million. This was an important outcome; however, this gap is equivalent to two months of our operations and commitments are needed urgently to bridge it entirely.

I am gravely concerned about the repercussions these repeated, and severe, financial crises have, not only for Palestine refugees but also for our stakeholders. This is a fragile time in a fragile region. It cannot afford new elements of instability. I appeal for your support to resolve this financial crisis, before the refugees are faced with a rupture of basic, vital services in November, and hope to be able to inform our Advisory Commission at its meeting on 13 and 14 November that our core funding is secure for 2017.

With deep appreciation to all Member States supporting UNRWA, I look forward to seeing renewed efforts to ensure that the Agency's financial health comes to fruition. Such an outcome will be of immense value to the 5.3 million Palestine refugees we serve. Our work is indispensable to their well-being until a just resolution, embraced by all parties, is realized.

(*Signed*) Pierre **Krähenbühl**
Commissioner-General

Letter dated 25 May 2017 from the Chair of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency

At its regular session, held in Amman on 22 and 23 May 2017, the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) considered your draft annual report on the activities and operations of UNRWA, covering the period from 1 January 2016 to 31 December 2016, to be submitted to the General Assembly at its forthcoming seventy-second session.

The Commission commends UNRWA for its efforts in continuing to deliver services to Palestine refugees in all fields of operation in accordance with its mandate until a just and lasting solution of the refugee situation is reached, in accordance with relevant United Nations resolutions (General Assembly resolutions 194 (III) and 302 (IV)) and thanks the host authorities for their working support of Palestine refugees, including through facilitation of the work of UNRWA.

The Commission is extremely concerned about the sustained volatility in the region and the increasing violence, marginalization and poverty that continue to affect the civilian population in the five fields of operation, in particular Palestine refugees, and reaffirms the important role played by UNRWA in mitigating the consequences of these alarming trends.

In this context, the Commission recognizes again the enduring hardship and growing needs of Palestine refugees for the past 69 years.

The Commission calls upon all relevant parties to meet their respective obligations under international humanitarian, human rights and refugee law, relevant United Nations resolutions, the 2005 Agreement on Movement and Access, and other international agreements, as applicable to the relevant parties, in order to enable UNRWA to provide its services in accordance with its mandate without hindrance or additional cost, including those obligations related to granting rapid and unimpeded access to UNRWA. The Commission notes with concern the increased movement and access restrictions faced by Palestine refugees and UNRWA staff within the occupied Palestinian territory, including East Jerusalem, as stated in the Commissioner-General's report for 2016.

The Commission calls upon all relevant parties to respect the neutrality of UNRWA installations and staff and to refrain from taking any actions that jeopardize their safety and security. The Commission remains concerned about the level of threats and attacks against UNRWA personnel in conflict areas, in particular threats to, and attacks on, staff while delivering services. The Commission commends UNRWA staff for continuing their work under very dangerous and difficult conditions. The Commission remains extremely concerned about the lack of Agency access to, and information on, its staff detained by relevant authorities, and reminds these authorities of their responsibilities in this regard, including those referenced in General Assembly resolution 36/232. The Commission deplores the death of UNRWA personnel as a result of conflict.

The Commission remains seriously concerned about the sustained level of violence in the West Bank, including in East Jerusalem, and the scale of injuries and deaths mentioned in the Commissioner-General's report. The Commission is further concerned about the unprecedented increase, as stated in reports by the Office for the Coordination of Humanitarian Affairs, in forced displacement and the

demolition of homes and economic assets, at twice the rate of the previous year and at the highest rate since 2009. This, along with the West Bank barrier, other restrictions on movement in the West Bank, including those in East Jerusalem, has a continuing negative effect on the living conditions and well-being of the civilian population in the Occupied Palestinian Territories, including Palestine refugees. The Commission continues to express its serious concern that settler violence has continued with relative impunity, resulting in injuries and damages to private Palestinian property, including that of Palestine refugees.

The Commission is seriously concerned about the continued and dramatic deterioration in socioeconomic conditions, increased desperation and frustration across Gaza, and a greater reliance on UNRWA services.

The Commission notes that, in relation to the humanitarian aspects of the crisis in the Syrian Arab Republic, the situation continues to constrain the delivery of life-saving humanitarian assistance, and at the same time that 95 per cent of Palestine refugees inside the Syrian Arab Republic are dependent on UNRWA assistance to survive. The Commission is alarmed about the loss of life and injuries among Palestine refugees. In 2016, four UNRWA staff lost their lives in explosions or as a result of intense shelling. As at December 2016, 17 UNRWA staff had been killed, and 26 were missing, detained, kidnapped or presumed to have been detained since 2011.

The Commission notes that in 2016 Lebanon was hosting an estimated 1.5 million Syrians who had fled the conflict, including 32,042 Palestinian refugees from the Syrian Arab Republic. The number of Palestinian refugees from the Syrian Arab Republic recorded with UNRWA in Jordan remained at approximately 17,000 at the end of 2016. The Commission also notes ongoing humanitarian needs of such refugees living in Lebanon and in Jordan, whom UNRWA has continued to serve in accordance with its mandate.

Noting that 2016 is the first year of implementation of the medium-term strategy 2016–2021, the Commission commends the efforts exerted by UNRWA to implement the strategy, in particular in the field of education and health, and also notes that challenges remain in implementing the strategy. The Commission also remains seriously concerned by recurrent funding shortfalls, which undermine the Agency's efforts to promote human development and meet Palestine refugees' basic needs. The Commission calls upon all parties to exert urgent efforts to mobilize the resources required to secure the financial stability of the Agency and sustain its operations throughout the implementation of the strategy. It notes the importance of providing services without interruption, in line with the Agency's mandate.

The Commission notes with appreciation the report of the Secretary-General on exploring all potential ways and means, including through voluntary and assessed contributions, to ensure that the Agency's funding is sufficient, predictable and sustained for the duration of its mandate, pursuant to broad and inclusive consultations of an unprecedented nature carried out by a Steering Committee led by Switzerland and Turkey. Reflecting the views of a wide cross-section of Member States and other global and regional stakeholders, the report reaffirmed the unique role of UNRWA in delivering quasi-governmental services to the refugees, its stabilizing influence and contribution to peace and security in the Middle East region, its relevance to the Sustainable Development Goals and the New York Declaration for Refugees and Migrants. In his report, the Secretary-General committed to provide further support and leadership. The Commission is committed to advance with the implementation of certain recommendations contained in the Secretary-General's report.

The Commission thanks donors and host countries for their continued support to UNRWA, including through facilitating the strengthening, expansion and diversification of its donor base.

(*Signed*) Ambassador Manuel **Bessler**
Chair of the Advisory Commission

Chapter I
Contextual overview

A. Political, economic and security developments

1. Within a volatile regional environment, violence and marginalization continued to affect Palestine refugees registered in all five fields of operation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA): Jordan, Lebanon, the Syrian Arab Republic, the West Bank, including East Jerusalem, and the Gaza Strip. The continued lack of political progress has only increased Palestine refugees' sense of total hopelessness and despair. Within this context and in line with its mandate from the General Assembly, the Agency continued to deliver services and assistance in the areas of education, health, relief, social services, infrastructure and camp improvement, microfinance and protection for the well-being, protection and human development of Palestine refugees.

Gaza Strip

2. Within a highly unstable political, security and socioeconomic field of operation, UNRWA met the needs of 1,348,536 registered Palestine refugees.[1] Civil servants employed by the de facto authorities continue to receive only partial salaries, a state of affairs that undermines public service delivery and created political tensions. The most recent receipt of a full salary was in October 2013. Municipal elections, scheduled to be held in October 2016, were postponed.

3. The average unemployment rate in Gaza in 206 increased to 41.7 per cent, compared with 41 per cent in 2015, remaining one of the highest rates in the world.[2] Poor socioeconomic conditions continued to result in high levels of food insecurity, with the Agency increasing its food assistance caseload to almost 1,000,000 through both the regular social safety net programme and the emergency appeal for the occupied Palestinian territory.

4. Security remained volatile as a result of Israeli military actions, the firing of rockets by militants from Gaza and internal strife, including demonstrations.[3] Conflict-related injuries and deaths numbered at least 210 and 10, respectively, in 2016. The population also continues to suffer under the effects of restrictions amounting to a blockade, considered illegal under international law, that was imposed following the takeover of the Gaza Strip by Hamas in 2007. Now in its tenth year, it imposes wide-ranging restrictions on imports, including medical and other humanitarian items, exports and movement of people. Moreover, the restrictions intensify the humanitarian consequences of the hostilities of July and August 2014, the third escalation in the conflict in seven years, which caused widespread damage to homes and other infrastructure. The limited easing of

[1] An additional 87,080 "other registered persons" are listed with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in Gaza, namely, those who, at the time of original registration, did not satisfy all the Palestine refugee criteria of the Agency but who were determined to have suffered significant loss and/or hardship for reasons relating to the 1948 conflict in Palestine. They also include persons who belong to the families of other registered persons.

[2] See State of Palestine, Palestinian Central Bureau of Statistics, *Labour Force Survey: Annual Report 2016* (Ramallah, 2017).

[3] Office for the Coordination of Humanitarian Affairs, Conflict-related casualties and violence, monthly figures database. Available from https://www.ochaopt.org/content/monthly-figures.

restrictions on movement that followed the hostilities of 2014 was reversed in 2016, given that travel permits to obtain medical treatment and conduct business were increasingly rejected or revoked. Access to Gaza for humanitarian staff also deteriorated.[4] In addition, following significant delays in the approval of "dual use" items,[5] the import of raw materials and equipment continued to be severely restricted and subject to cumbersome procedures. The constraints on access continued to be experienced, notwithstanding the Gaza reconstruction mechanism, established in 2014 on the basis of a temporary agreement between Israel and Palestine to facilitate the entry of specific restricted building materials and machinery into Gaza. Under the auspices of the Gaza Reconstruction Mechanism, tens of thousands of refugee shelters have been repaired or rebuilt following the 2014 hostilities. During the reporting period, UNRWA continued engaging actively with Israeli authorities to sustain progress in this regard.

West Bank

5. Many of the 809,738 registered Palestine refugees in the West Bank continued to endure difficult socioeconomic conditions,[6] marked by a considerable increase in administrative and punitive demolitions. Restricted access to land, services and markets imposed severe challenges for Palestine refugees, in particular those living or owning land in Area C and the area between the West Bank barrier and the armistice line of 1949, which is commonly referred to as the seam zone. Economic stagnation stifled Palestinian economic growth and livelihoods, eroding purchasing power and forcing the continued reliance on humanitarian assistance.

6. Rates of unemployment among Palestine refugees in the West Bank remained higher than for non-refugees, at 19.2 per cent and 17.8 per cent, respectively. Joblessness for those living in camps was higher still (21.8 per cent).[2]

7. While the wave of violence that began in the last quarter of 2015 subsided in 2016, severe tensions persisted and was marked by clashes and attacks. During 2016, 102 Palestinians including 31 Palestine refugees and 16 Israelis were killed, with more than half of Palestinian fatalities recorded during the first quarter of the year.

8. In Area C of the West Bank, Israel continued to advance plans for the transfer of Bedouin communities, populated by a Palestine refugee majority, from the West Bank to a number of proposed relocation sites,[7] three of which have been formally identified. In this regard, the pace of home demolitions increased under the current restrictive planning regime operating in the West Bank, including East Jerusalem, in the Bedouin communities of Abu Nawar, Jabal al Baba and Khan al-Ahmar, all located within areas designated for settlement expansion within the Ma'ale Adumin bloc and the controversial E-1 settlement area. Proceedings regarding challenges to the implementation of some of these plans were under way at the end of the reporting period. There were multiple instances in which post-demolition humanitarian assistance was confiscated or dismantled owing to a lack of Israeli permits, including the dismantling and confiscation of part of the donor-funded Abu Nawar primary school in February 2016. There are increasing concerns that the

[4] Office for the Coordination of Humanitarian Affairs, Humanitarian Bulletin: Occupied Palestinian Territory, 10 February 2017.

[5] Products/technologies normally used for civilian purposes that may have military applications, according to the Israeli authorities.

[6] An additional 187,435 "other registered persons" are listed with UNRWA in the West Bank.

[7] In a February 2016 court submission, the Israeli Civil Administration indicated that there were a total of eight proposed relocation sites.

existence of a coercive environment is forcing affected Palestinians to leave their homes and their land.

9. A total of 1,094 demolitions of Palestinian-owned structures without building permits were carried out by the Israeli authorities, displacing 1,628 Palestinians, with refugees accounting for approximately 38 per cent of that number. This is a drastic increase compared with 2015, in which 526 structures were demolished and 629 people, including 237 refugees, were displaced and represents the highest number displaced since 2009 when the Office for the Coordination of Humanitarian Affairs and UNRWA began recording demolitions. In addition, citing what it describes as a deterrent, the Government of Israel continued punitive demolitions of the homes of families of alleged perpetrators of violent attacks against Israeli civilians and security forces, which is illegal under international law as a form of collective punishment.

Syrian Arab Republic

10. The operational context in the Syrian Arab Republic continued to be defined by intense conflict and its dire humanitarian impact, characterized by the use of indiscriminate violence, including in civilian areas, restrictions on the free movement of people and goods and violations of international humanitarian and human rights law. While several efforts to end the conflict were supported by the international community, a durable, peaceful resolution remains outstanding.

11. Of the 560,000 Palestine refugees registered with UNRWA prior to the crisis,[8] the 450,000 that remain in the Syrian Arab Republic[9] continued to face significant needs. Some 280,000 refugees have been internally displaced, while an estimated 43,000 were located in hard-to-reach and besieged areas. Humanitarian access served as a key challenge, specifically in places such as Damascus and Rif Dimashq, including in Yarmouk/Yalda and Khan Eshieh camp, as well as in Aleppo and Dera'a. In accordance with international law, the Agency continued to call upon all parties to respect the privileges and immunities of the United Nations, its officials and premises and to advocate for full and unhindered access to civilians trapped in areas of active conflict, and it participated in inter-agency convoys when possible.

12. The dynamics and unpredictability of the crisis continued to severely constrain the delivery of both regular and life-saving humanitarian assistance by UNRWA and other aid agencies. Intense conflict and violence took place in Palestinian gatherings and in unofficial and official camps, especially in Aleppo, Damascus and Rif Dimashq. In many incidents, Palestine refugees were killed or injured. Four UNRWA staff lost their lives in explosions or as a result of intense shelling. As of 31 December 2016, 18 UNRWA staff had been killed as a result of the hostilities or in circumstances that are otherwise related to the conflict since 2012. Subject to verification, about 15 UNRWA staff members and 10 non-staff personnel were missing, detained, kidnapped or presumed to have been detained since the beginning of the conflict.

13. The economic context continued to be marked by significant price rises, rising unemployment and inflation, essential commodity shortages and the declining value of the Syrian pound, further compounded by the impact of sanctions. Against this backdrop, 95 per cent of Palestine refugees were dependent on UNRWA assistance to survive.

[8] Excluding the additional 75,114 other registered persons served by UNRWA in the Syrian Arab Republic.

[9] Based on the results of a verification exercise conducted in 2015.

Lebanon

14. The Government of Lebanon estimated that the country hosted 1.5 million Syrians who had fled the conflict, including 32,042 Palestinian refugees from the Syrian Arab Republic. In addition to this community, there are an estimated 450,000 Palestine refugees registered in Lebanon.[10] The daily lives of all these refugees, who are among the most vulnerable in Lebanon, continued to be dominated by poverty and exacerbated by prohibitions on their employment. UNRWA continued to advocate for the rights of Palestine refugees who are barred from exercising several syndicated professions and who face restrictions on the right to own and inherit property. Palestine refugees from the Syrian Arab Republic faced ongoing limitations on their ability to lawfully enter Lebanese territory and precarious legal status within the country, including limited access to crucial civil registration procedures. The Agency continued to appeal to the authorities to uphold the principle of non-refoulement and equal treatment of all Palestine refugees in accordance with international standards and to consider temporary access for Palestine refugees fleeing the war in the Syrian Arab Republic for humanitarian reasons.

15. In general, the situation in Palestine refugee camps remained calm, except in the north Lebanon area and in Ein El Helweh camp. Recurrent violence in the camp and its impact on the civilian population and UNRWA staff remains a cause for serious concern. Armed violence also has an impact on safe access to Agency services, including schools and vital health services. Ten school days were lost in 19 UNRWA schools in and around Ein El Helweh as a result of armed clashes in the camp, affecting almost 10,945 UNRWA students.

16. Nine years following its destruction, the reconstruction of Nahr el-Bared camp continued, with 71 per cent of estimated reconstruction costs being met. To date, 8,858 residents have returned to reconstructed shelters and 569 shops have been provided to traders, helping to rejuvenate the camp's economy and social fabric.

Jordan

17. Jordan hosts 2,175,491 registered Palestine refugees, with the majority possessing Jordanian citizenship, thereby allowing them to enjoy the same rights as other Jordanian nationals.[11] Approximately 158,000 Palestine refugees who fled Gaza in 1967 do not have Jordanian nationality and face restricted access to public services. Jordan has remained stable in an increasingly insecure region. Nevertheless, successive waves of refugees from Iraq and the Syrian Arab Republic have placed considerable pressure on the nation's economy and infrastructure.

18. Palestine refugees from the Syrian Arab Republic recorded with UNRWA in Jordan stood at approximately 17,000 at the end of 2016, owing in part to the government policy of non-admission. Given the lack of legal status, this community faced limited livelihood opportunities, restrictions on employment, gaining access to courts and civil status/registration processes and the threat of forcible return. Many also faced restrictions on accessing humanitarian assistance available to other refugees from the Syrian Arab Republic. A total of 87 per cent struggled to meet basic needs. UNRWA continued as the main provider of health, education, emergency assistance and registration services for such refugees in Jordan. The Agency continued to appeal to the Government of Jordan to uphold the principle of non-refoulement and the equal treatment of all refugees in accordance with

[10] An additional 50,131 "other registered persons" are listed with UNRWA in Lebanon.
[11] An additional 111,152 "other registered persons" are listed with UNRWA in Jordan.

international standards and to consider temporary access for Palestine refugees fleeing the war in the Syrian Arab Republic for humanitarian reasons.

19. The crisis in the region continues to have a negative impact on the socioeconomic situation in Jordan as a result of the influx of refugees, disruptions in trade, a reduction in investment and a drop in tourism. Unemployment represents a major challenge, with the level of joblessness rising from 13.8 per cent in January 2016 to 15.8 per cent by the end of the year. Young people, in particular, have been affected. Jordan remained highly reliant on grants and remittances from Gulf economies and faces continued pressure on its natural resources.

B. Operational and organizational developments

20. UNRWA was able to rapidly and effectively deliver human development and humanitarian assistance by drawing on its operational strengths, in particular its skilled work force of more than 30,000 staff, the majority of whom are refugees and members of the communities that they serve.

21. The Agency succeeded in educating 515,260 children and provided more than 8.5 million primary health-care consultations and social safety net assistance (including cash and food) to more than 254,000 refugees, learning and skills training for 7,082 young people and microfinance loans to more than 39,000 people, including 14,125 Palestine refugees. In addition, almost 6,000 families benefitted from shelter rehabilitation or construction assistance. Emergency humanitarian assistance was extended to more than 1.4 million refugees, primarily in the occupied Palestinian territory and the Syrian Arab Republic.

22. The new medium-term strategy for 2016–2021 was introduced at the beginning of the reporting period as a presentation of the statement of intent for UNRWA operations during this period. The strategy is operationalized through strategic and annual operational plans for each of the Agency's fields and an outline is provided of the UNRWA response in providing access to vital services for all refugees in need, while focusing, in particular, on the most vulnerable. Protection continued to be mainstreamed into programmes as one of five strategic outcomes of the strategy. A new gender equality strategy for 2016–2021 and the establishment of a new protection division provide strategic direction and coordination of protection and gender equality activities. In addition, a child protection framework was developed that outlines the Agency's commitment to protecting Palestine refugee children through a comprehensive approach involving all relevant services. Furthermore, UNRWA continued to embed and build upon education reform policies, principles and procedures, ensuring alignment with Sustainable Development Goal 4 to ensure quality, inclusive and equitable education.

23. As an effective way to provide diverse food choices and a more dignified form of support, UNRWA undertook the transition from food to cash assistance distribution in Jordan, Lebanon and the West Bank. This change in modality also reduces administrative and distribution costs.

24. In Gaza, the Agency continued to support reconstruction efforts owing to the hostilities in July and August 2014. As at the end of the reporting period, more than 81,000 families had completed or were in the process of completing repairs to their damaged homes, while more than 1,300 families had completed or were in the process of rebuilding their totally destroyed homes with support from UNRWA.

25. The Agency continued to support the food and nutritional needs of vulnerable Palestine refugees in Gaza, providing assistance to more than 970,000 in the fourth quarter of 2016 through both programme budget and emergency programming.

Through community engagement, a more diversified and nutritious food basket was successfully introduced for all beneficiaries of food assistance. That reform was based on health and nutritional values, public acceptance and local food habits and content availability and logistical practicalities. An extensive community outreach campaign both preceded and accompanied the introduction of new food baskets to ensure that all beneficiaries were informed about the changes and were able to have their questions and concerns addressed.

26. UNRWA continued to invest in education by providing access to more than 262,000 students through 267 schools in Gaza, of which 71.2 per cent operated on a double-shift basis. Furthermore, more than 4.1 million primary health-care consultations were provided.

27. In the West Bank, the Agency provided basic education to 48,884 children and vocational and technical training to an additional 1,730 students. UNRWA successfully introduced e-cards for more than 36,000 social safety net programme beneficiaries in place of food aid and cash, giving Palestine refugees greater choice and flexibility. Further support was provided through food voucher assistance and cash-for-work opportunities that were extended to more than 16,000 refugee households (more than 91,000 beneficiaries). In partnership with the World Food Programme, the Agency also furnished in-kind food assistance to more than 35,000 Bedouin and herders, vulnerable to various protection threats. In addition, 43 health centres and health points, along with six emergency mobile health clinics, provided 1.28 million medical consultations. Finally, 131 of the most vulnerable refugee families benefitted through shelter rehabilitation assistance.

28. In the Syrian Arab Republic, UNRWA adapted and maintained the provision of core UNRWA services through its comprehensive network of staff, facilities and resources. Education was provided to more than 45,000 Palestine refugee students through 101 schools and the support of more than 1,800 teachers. Health care continued to be provided through 26 health centres, health points and a mobile clinic. In addition, five family support offices and a network of community development social workers and volunteer lawyers throughout the country facilitated psychosocial support and legal counselling for survivors of gender-based violence and refugees seeking assistance relating to civil registration and documentation.

29. UNRWA technical and vocational education and training programme services in the Syrian Arab Republic continued to provide opportunities for young people through long-term courses for 575 students and short-term courses for more than 2,000 trainees at eight training centres. Agency microfinance services extended loans to those in need, with demand outstripping supply. The devaluation of the Syrian pound continued to have an impact on the microfinance fund to the point where an urgent injection of new funds was required. UNRWA also continued to provide potable water, maintain sewage works and provide solid waste management in 7 of 12 accessible refugee camps.

30. Cash and food assistance remained priority humanitarian interventions for the Agency in the Syrian Arab Republic, targeting 430,000 vulnerable refugees. Owing to funding limitations, only three rounds of cash and five rounds of food were implemented against the six distribution rounds originally planned for 2016. Non-food items, comprising hygiene kits and other basic items, were provided to up to 280,000 internally displaced Palestine refugees, including up to 3,700 internally displaced persons living in UNRWA-managed collective shelters.

31. Agency operations in Lebanon provided critical basic services to Palestine refugees, including primary education for 31,645 children, secondary education for 4,443 students, primary health care through 27 health centres and referrals to child

protection, gender-based violence and psychosocial support services. Hospitalization support for the most vulnerable was consolidated through the creation of a medical hardship fund. In addition, social safety net programme support was provided to 61,705 refugees through cash-based transfers that replaced the direct provision of food assistance. UNRWA supported refugee livelihoods through targeted vocational training for 992 students and access to microcredit initiatives for 250 start-ups, existing businesses or home improvements. Further support was extended through the provision of potable water for camp inhabitants and the rehabilitation of 275 shelters.

32. In Jordan, UNRWA services continued to contribute to the human development of refugees through the provision of basic education to 121,368 children and technical and vocational training for 2,378 young people. Twenty-five health centres provided 1,552,936 primary health-care consultations. A major policy change saw a shift in social safety net programme assistance provision modalities from food/cash package distribution to a 100 per cent cash-based transfer to 58,899 refugees. Microcredit was extended to 6,888 refugees and 24 of the poorest refugee families benefitted through shelter rehabilitation assistance.

C. Legal matters

Agency staff

33. Israeli authorities, citing security concerns, continued to restrict the freedom of movement for UNRWA personnel in the occupied Palestinian territory, including East Jerusalem. Restrictions included the prohibition of local staff, not resident in Jerusalem, to travel in United Nations vehicles across the Erez crossing or the Allenby Bridge, or to drive in Israel and East Jerusalem, and time-consuming and cumbersome procedures to obtain permits for local staff not resident in Jerusalem to enter Israel and East Jerusalem. On many occasions, permits were not granted even though procedures had been followed. On average, permits to enter East Jerusalem from the rest of the West Bank were not issued to 18 per cent (100 individuals) of Agency personnel who needed them.

34. Israeli procedures at the Allenby Bridge continued to require that United Nations vehicles be submitted to a search unless an occupant thereof held an identification card issued by the Ministry of Foreign Affairs, even though such searches represent a violation of the immunity of the United Nations. Those procedures, in particular, restricted the movement of international staff based at UNRWA headquarters in Amman, to whom the Ministry does not issue such cards. On one occasion, the Agency vehicle normally assigned to the Commissioner-General was searched by Israeli authorities at Allenby Bridge on suspicion of contraband being transported, which proved to be unfounded. The Agency protested against the search as being contrary to the immunity from search of United Nations vehicles as provided for under the Convention on the Privileges and Immunities of the United Nations.

35. Israeli procedures at the Erez crossing continued to require that United Nations vehicles be submitted to a search unless the occupants thereof included a United Nations staff member holding a diplomatic visa or was driven by an international staff member on a limited list approved by the Israeli authorities, even though such searches represent a violation of the immunity of the United Nations. In 2016, new procedures for the inspection of personal luggage of staff members not enjoying diplomatic privileges and immunities were introduced. Opening hours at the Erez crossing remained restricted. On 23 occasions, at various checkpoints in the West Bank, including for entry into East Jerusalem, Israeli authorities demanded

to search Agency vehicles. While the majority of searches were avoided through Agency interventions, rerouting or turning back, on eight occasions searches were carried out. UNRWA protested against those searches as a violation of the Convention on the Privileges and Immunities of the United Nations.

36. The restrictions mentioned above are inconsistent with the Charter of the United Nations, the Convention on the Privileges and Immunities of the United Nations, relevant United Nations resolutions and the Comay-Michelmore Agreement of 1967, by which the Government of Israel is obligated to facilitate the task of UNRWA to the best of its ability, subject only to regulations or arrangements that may be necessitated by considerations of military security. UNRWA applied for permits for local staff to enter East Jerusalem for operational and humanitarian reasons only and without prejudice to relevant United Nations resolutions, including resolutions relating to the status of Jerusalem. Israeli authorities maintained that the restrictions were necessary to protect Israel against terrorist attacks.

37. In the West Bank, staff movement continued to be restricted and unpredictable at several checkpoints, notably those controlling access to East Jerusalem or through the West Bank barrier. Restrictions on movement in the West Bank resulted in the loss of at least 160 staff days. It remained difficult to deliver Agency services in the seam zone. The situation regarding requirements for the Agency and other United Nations trucks to use specific commercial checkpoints to enter Jerusalem remained unchanged.

38. Local staff in Gaza required permits from the Israeli authorities to transit the Erez crossing. Of 823 applications, 340 permits (41 per cent) were granted. Compared with 2015, the number of permits applied for decreased by approximately 16 per cent, while the overall percentage of permit applications rejected increased from 16 per cent to 59 per cent, having an impact on the Agency's operations. The Agency has not received a substantive justification for the reasons for this significant increase, notwithstanding repeated requests.

39. In 2016, the Rafah crossing between Egypt and Gaza was open for public use for 46 days. The ban imposed by the United Nations on duty travel for staff members travelling through Rafah remained in place, owing to the security situation in the Sinai. Two staff members were allowed to cross in 2016.

40. In Lebanon, the volatile security situation in Palestine refugee camps in the Saida area and north Lebanon area resulted, at times, in restrictions on movement that affected Agency staff and operations. No significant restrictions were imposed on UNRWA staff by the Governments of Jordan or Palestine. However, the Jordanian authorities applied a pre-approval requirement relating to the issuance of residency permits for new incoming international staff. Notwithstanding concerted efforts to address the issue with the authorities, as at 31 December 2016, the issue was not resolved and four residency permits for international staff were pending.

41. In the Syrian Arab Republic, the armed conflict continued to be characterized by engagement and military action from a variety of actors, increasing unpredictability and the use of heavy weapons and weapons of indiscriminate impact. Generalized insecurity seriously affected free movement and humanitarian access. Four staff members were killed and seven personnel were reported as injured by gunfire or as a result of shelling. Numerous checkpoints remained in place, including in and around Damascus. Agency vehicles were searched at some checkpoints contrary to the immunity of the United Nations. Of the 149 visas (residency and visit) that the Agency had applied for international personnel, including renewals, 5 were not granted.

42. At the end of 2016, 24 UNRWA staff were missing, detained, kidnapped or presumed detained. Subject to verification, about 15 staff members were believed to be missing, detained or kidnapped in the Syrian Arab Republic either by the Syrian authorities or other parties, 4 detained by the Israeli authorities, 3 by the de facto authorities in Gaza, 1 by the Jordanian authorities and 1 by the Palestinian authorities. Notwithstanding Agency requests in accordance with General Assembly resolution 36/232, the Syrian authorities did not provide UNRWA with access but provided reasons for the detention of two staff members still in detention at the end of 2016. The Israeli authorities did not provide any information about or access to Agency staff detained throughout the reporting period. While the Jordanian authorities previously provided information with respect to the staff member detained in Jordan at the end of the reporting period, they did not respond to a request for access to the staff member. The Palestinian authorities provided information and access in respect of the detained staff member. The de facto authorities in Gaza provided information and granted access to two staff members.

43. The Israeli authorities continued to impose transit charges on shipments entering the Gaza Strip, forcing UNRWA to pay $1.02 million in 2016. In the view of the Agency, those charges constitute a direct tax from which it ought to be exempt under the Convention on the Privileges and Immunities of the United Nations. In the view of Israel, the charges are a fee for service, from which there is no exemption. Since November 2016, Agency vehicles could be imported only through Erez. For all other Agency imports, the Kerem Shalom crossing remained the sole crossing for imports into Gaza. It was closed for imports for 14 of 261 scheduled operating days (5.4 per cent). The continuing closure of the Karni crossing and the prohibition of containerized imports, which has been in place since 2006, contributed to increased expenditure, resulting from storage, palletization, sterilization, extra mileage and additional staff, amounting to some $7.99 million, in addition to transit charges levied at the Kerem Shalom or, in respect of vehicles only, Erez crossings. Israeli approval for the importation of eight armoured vehicles to Gaza sought in November 2015 was pending as at the end of the reporting period.

44. The conditions relating to UNRWA construction projects in Gaza, as reported previously, remained in place. In addition to the requirement of project approvals, the Israeli authorities required separate approval of contractors for the implementation of projects. In five cases, contractors were not cleared for approved projects, in some cases notwithstanding being cleared under the Gaza reconstruction mechanism. Separate procedures and requirements continued to be in place for the Agency's importation of cement, aggregate and steel reinforcement bars and other materials designated by the Israeli authorities as "dual use". Delays in approvals have affected the implementation of projects, including 54 per cent of the Agency's emergency preparedness projects. In December 2016, the Israeli authorities introduced a new requirement whereby UNRWA project approval remains valid for only one year, necessitating renewal of approval after that period.

45. The Agency continued to employ an additional international staff member (in addition to using existing international staff), local staff engineers and security guards to meet the daily monitoring and coordination requirements previously introduced by the Israeli authorities, amounting to almost $1.4 million in extra staffing costs for the Agency. UNRWA also continued to provide Israeli authorities with written confirmation of the monitoring by the Agency of each project, in addition to requirements predating 2016 for documentary material to facilitate the monitoring by Israel of construction projects.

46. Overall, additional staffing, transit and logistical costs resulting from Israeli requirements regarding access and monitoring of all Agency imports into the Gaza Strip amounted to $10.38 million. This does not include similar access costs that

private contractors incurred to ship construction materials into Gaza through Kerem Shalom under the Gaza reconstruction mechanism.

Agency services and premises

47. Israeli authorities continued to require standards testing for educational, electronic, medical and other items for official use. UNRWA imports goods for official use that conform to international standards, and the United Nations considers that Israeli requirements are contrary to the exemption from prohibitions and restrictions on imports, under the Convention on the Privileges and Immunities of the United Nations, in respect of articles imported by the United Nations for official use. As of the end of 2016, 15 consignments destined for the West Bank were still detained, with the duration of detainment ranging from four to six years for each consignment. The total storage costs for consignments delayed during the year exceeded $194,300.

48. Arrears of $90.9 million due to the Agency for services and goods procured for the West Bank and Gaza are outstanding for the reimbursement of value added tax accrued before arrangements were agreed in 2013 with Palestine's Ministry of Finance. Outstanding tax reimbursement in relation to the 2016 financial year amounted to $1.27 million, with the cumulative outstanding total amounting to approximately $100.69 million as at 31 December 2016.[12]

49. The Agency was required, as in the past, to pay port fees and other charges to the Syrian authorities, in contravention of the Agreement of 1948 between the United Nations and the Government of the Syrian Arab Republic. Fees and charges totalling $208,402 were paid.

50. UNRWA continued to face difficulties in obtaining exemptions from customs and other governmental fees from the Customs Department of the Ministry of Finance of Jordan for the import of vehicles for official use. As at the end of the reporting period, the Agency was unable to obtain exemption from customs and other fees with respect to eight vehicles that it had sought to import for its official use, including one mobile dental clinic and one truck to collect solid waste, having an impact on the ability of UNRWA to deliver its services. The Agency considers those restrictions to be contrary to its exemption from restrictions on imports under the Convention on the Privileges and Immunities of the United Nations and its bilateral agreement with Jordan of 1951. Jordan considers those charges as fees for service. Since 2012, the Drivers and Vehicles Licensing Department of the Ministry of Finance has requested payment for the inspection of and registration cards for official UNRWA vehicles, against which the Agency protested as constituting a direct tax from which it is exempt. In 2016, UNRWA paid these fees under protest.

51. UNRWA Operational Support Office teams remained in place in Jordan, Lebanon, the West Bank and Gaza, while an Area Support Office team operated in the Syrian Arab Republic, playing an invaluable role in upholding the neutrality of the United Nations, including through the inspection of Agency installations and conducting training for staff. In the West Bank, the programme also facilitated access for UNRWA staff, vehicles and goods through checkpoints and to areas affected by Israeli military or security operations.

52. The Convention on the Privileges and Immunities of the United Nations provides that the premises of the United Nations shall be inviolable. Contrary to this, the Israeli military and security forces entered UNRWA premises in the West Bank without authorization on six occasions. On at least 48 occasions, tear gas canisters, stun grenades, plastic-coated metal bullets or live ammunition used by the

[12] Reflecting audited financial statements (2015).

Israeli Security Forces landed in Agency compounds or damaged UNRWA installations, resulting in one injured staff and personnel and beneficiaries suffering from tear gas inhalation. In Gaza, an air strike on what the Government of Israel reported as a military target in the vicinity of an Agency installation caused material damage.

53. UNRWA continued to implement the recommendations of the Board of Inquiry into certain incidents that occurred in the Gaza Strip between 8 July and 26 August 2014 referred to in previous reports that concerned safety, security, neutrality and communication.

54. Further to previous reports, as at the end of the reporting period, according to publicly available information, Israeli criminal investigations into two of the seven incidents that occurred in Gaza during the hostilities from 8 July to 26 August 2014, which were the subject of the Board of Inquiry, were ongoing. While UNRWA cooperated with those investigations, it did not receive information on their progress. Israeli investigations relating to a third incident, subject of the Board of Inquiry, were closed in August 2016 without referral to criminal investigations. The Agency remains concerned about the need for accountability regarding these and other incidents in which UNRWA installations were directly or indirectly affected, contrary to their inviolability, and Agency personnel and civilians sheltering in them were killed as a result thereof.

55. In the West Bank, there were five incursions by armed Palestinians, including three incidents during which UNRWA installations were entered and two incidents during which live ammunition deployed by armed Palestinians landed in or hit Agency installations. There were six incidents of misuses of UNRWA installations for unauthorized political or other events involving Palestinian factions, camp services committee members or other actors. Members of camp service committees prevented Agency installations from operating for 34 days. There were also closures of installations due to industrial actions. There were 83 protests regarding class formations that had an impact on the continuing provision of services. In Gaza, there were two incursions by the de facto authorities and one involving armed actors, as well as one incident of installation misuse for political activities. Among other incidents, there were at least 30 demonstrations or sit-ins. The Agency protested against incursions with the relevant authorities, as appropriate.

56. In the Syrian Arab Republic, UNRWA has sustained conflict-related property losses in the millions of dollars since hostilities began in 2011, including in relation to at least 58 of 180 Agency facilities that were either damaged or destroyed and 22 vehicles that were damaged, destroyed or stolen. At least seven incidents of shelling affected UNRWA premises, causing damage to six premises and the destruction of one Agency school. Damage to and the lack of safe access to Agency facilities made it more difficult for Palestine refugees to obtain essential services. Intensified armed violence around the Khan Eshieh camp during the reporting period compromised humanitarian access and the delivery of services in the camp. The Agency remained unable to verify reports regarding the military use of specific UNRWA installations owing to insecurity and the presence of armed groups in the areas concerned. Notwithstanding protests, the Agency sanitation office in Khan Dannun continued to be used by military personnel at the adjacent checkpoint.

57. There were closures of UNRWA installations on at least 227 days in Lebanon, with an average of seven installations closed per day. Closures were mostly the result of changes introduced to hospitalization coverage, but also due to violent actions by beneficiaries and the lack of security more broadly due to civil unrest and armed factions. Armed clashes between factions in the Ein El Helweh refugee camp led to a total of at least 12 days of closures of Agency installations. On at least four

occasions, armed factions entered UNRWA installations in Lebanon without authorization.

Other matters

58. A total of $680,000 seized by the Government of Lebanon in 2013 has yet to be returned.

59. UNRWA continued to dispute any liability for payment demanded by the Government of Lebanon in the amount of $167.1 million for electricity consumed by Palestine refugees outside UNRWA installations in camps in Lebanon.

60. The Agency reached an agreement with the Jordanian authorities whereby $74,000 seized by the Jordanian Execution Office in 2012, as reported previously, would be offset against payments owed by UNRWA to the Ministry of Education for the provision of school textbooks.

61. In relation to the internal justice system, the UNRWA Dispute Tribunal, established on 1 June 2010, operates on a full-time basis and is comprised of one judge and one part-time ad litem judge. The Tribunal issued 39 judgments and 106 orders, disposing of 60 cases. As at the end of 2016, 50 cases were pending, including one case on remand, of which 46 were filed by area staff and 4 were filed by international staff. One additional case was on remand. There were also six appeals pending before the United Nations Appeals Tribunal.

Legal status of Palestine refugees in the Agency area of operations

62. The legal status of Palestine refugees in Jordan, Lebanon, Syrian Arab Republic, the West Bank and the Gaza Strip remained substantially the same as that described in the 2008 report of the Commissioner-General (A/64/13, paras. 52–55).

D. Financial overview

63. With the exception of 155 international staff posts funded by the General Assembly through the United Nations regular budget, UNRWA operations are supported through voluntary contributions. The Agency receives funding for: (a) a programme budget fund that supports core operations (including recurrent staff and non-staff costs), such as education, health, camp improvement, relief and social services and support systems and structures; (b) specific, time-bound projects that improve services without increasing recurrent costs; and (c) emergency appeals for humanitarian interventions.

64. The Agency mobilized a total pledged amount of $1.24 billion, the same level of funding secured in 2015, but less than the overall requirements, as reflected in the Agency's core programme, emergency and project budgets. In the approved programme budget (cash view) for 2016, projected income was $587 million against projected minimal operating expenditure of $669 million, within a zero-growth budget approved by the Commissioner-General. The Agency faced large shortfalls in its 2016 programme budget, peaking at $96.5 million. On the basis of unaudited financial statements, in 2016, the Agency spent $1.36 billion.[13] The largest expenditure was $713.9 million, under the unrestricted regular budget, accounting for 52.4 per cent of total expenditure.[14] Emergency activities and projects, including

[13] Expenditure in 2016 includes funds carried forward from 2015.

[14] Unrestricted budget pertains to non-earmarked funds, including the programme budget. Restricted fund activities pertain to earmarked funds, including emergency, project and microfinance activities.

restricted fund activities, accounted for 27.4 per cent and 20.2 per cent, respectively. Education remained the largest programme funded from the programme budget, with an expenditure of $411.5 million, or 57.6 per cent of the total unrestricted programme budget.

65. The Agency was once again confronted with a structural deficit that seriously challenged its ability to meet the requirements of its mandate, while creating uncertainty and precipitating instability among refugees. The shortfall would have been considerably larger had it not been for cost-containment measures that translated into a zero-growth budget during the reporting period. By way of responding to perpetual financial shortfalls, at the request of the General Assembly in its resolution 71/93, adopted in December 2016, the Secretary-General launched a broad consultative process with Member States to explore all potential ways and means, including through voluntary and assessed contributions, to ensure that UNRWA funding is sufficient, predictable and sustained for the duration of its mandate, and to report to the General Assembly by March 2017 on the conclusions and recommendations emerging from the consultations.

Table 1

Actual expenditure by field of operation and programme, 2016

(Thousands of United States dollars)

	Gaza		*Jordan*		*Lebanon*		*Syrian Arab Republic*		*West Bank*		*Headquarters*		*Total*	
Programme budget		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*
Education	191 147	26.78	96 421	13.51	44 173	6.19	16 828	2.36	60 692	8.50	2 215	0.31	411 476	57.64
Health	32 434	4.54	20 061	2.81	23 118	3.24	6 957	0.97	26 471	3.71	821	0.12	109 863	15.39
Infrastructure	10 526	1.47	5 306	0.74	5 639	0.79	1 465	0.21	6 564	0.92	1 379	0.19	30 878	4.33
Relief and social services	11 438	1.60	9 199	1.29	9 189	1.29	1 640	0.23	8 763	1.23	1 063	0.15	41 291	5.78
Executive and support	18 354	2.57	8 577	1.20	10 514	1.47	6 125	0.86	16 336	2.29	60 463	8.47	120 369	16.86
Grand total	**263 900**	**36.97**	**139 565**	**19.55**	**92 633**	**12.98**	**33 015**	**4.62**	**118 825**	**16.65**	**65 942**	**9.24**	**713 879**	**100.00**

	Gaza		*Jordan*		*Lebanon*		*Syrian Arab Republic*		*West Bank*		*Headquarters*		*Total*	
All funding streams		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*
Education	235 207	17.25	104 218	7.64	60 622	4.45	35 657	2.62	66 470	4.88	3 189	0.23	505 363	37.06
Health	48 659	3.57	22 418	1.64	31 746	2.33	10 973	0.80	32 050	2.35	1 836	0.13	147 683	10.83
Infrastructure	27 926	2.05	5 399	0.40	32 895	2.41	1 711	0.13	8 139	0.60	1 478	0.11	77 547	5.69
Relief and social services	227 660	16.70	21 643	1.59	43 079	3.16	116 577	8.55	28 352	2.08	1 451	0.11	438 761	32.18
Executive and support	56 220	4.12	10 432	0.77	16 320	1.20	21 843	1.60	22 505	1.65	66 806	4.90	194 126	14.24
Grand total	**595 673**	**43.69**	**164 109**	**12.04**	**184 661**	**13.54**	**186 759**	**13.70**	**157 517**	**11.55**	**74 760**	**5.48**	**1 363 480**	**100.00**

Table 2

Actual expenditure by strategic goal, 2016

(Thousands of United States dollars)

	Gaza		Jordan		Lebanon		Syrian Arab Republic		West Bank		Headquarters		Total	
Programme budget	*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*	
A long and healthy life	37 802	5.30	24 891	3.49	28 151	3.94	8 212	1.15	30 934	4.33	1 699	0.24	131 688	18.45
Acquired knowledge and skills	187 254	26.23	90 219	12.64	40 878	5.73	14 831	2.08	55 175	7.73	2 093	0.29	390 449	54.69
A decent standard of living	19 634	2.75	14 567	2.04	12 144	1.70	2 631	0.37	13 554	1.90	1 542	0.22	64 071	8.98
Human rights enjoyed to the fullest	2 016	0.28	834	0.12	310	0.04	769	0.11	791	0.11	254	0.04	4 974	0.70
Management and operational effectiveness	17 195	2.41	9 054	1.27	11 150	1.56	6 572	0.92	18 371	2.57	60 354	8.45	122 696	17.19
Grand total	**263 900**	**36.97**	**139 565**	**19.55**	**92 633**	**12.98**	**33 015**	**4.62**	**118 825**	**16.65**	**65 942**	**9.24**	**713 879**	**100.00**

	Gaza		Jordan		Lebanon		Syrian Arab Republic		West Bank		Headquarters		Total	
All funding streams	*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*		*(Percentage)*	
A long and healthy life	54 377	3.99	27 366	2.01	48 796	3.58	13 455	0.99	36 924	2.71	2 714	0.20	183 631	13.47
Acquired knowledge and skills	234 237	17.18	97 746	7.17	50 978	3.74	32 308	2.37	60 240	4.42	2 923	0.21	478 432	35.09
A decent standard of living	236 535	17.35	24 789	1.82	68 945	5.06	117 445	8.61	37 293	2.74	1 570	0.12	486 577	35.69
Human rights enjoyed to the fullest	16 631	1.22	4 396	0.32	1 363	0.10	1 234	0.09	3 075	0.23	1 331	0.10	28 029	2.06
Management and operational effectiveness	53 894	3.95	9 812	0.72	14 579	1.07	22 317	1.64	19 985	1.47	66 223	4.86	186 810	13.70
Grand total	**595 673**	**43.69**	**164 109**	**12.04**	**184 661**	**13.54**	**186 759**	**13.70**	**157 517**	**11.55**	**74 760**	**5.48**	**1 363 480**	**100.00**

Chapter II
Subprogramme review presented within the framework of the human development goals of the United Nations Relief and Works Agency for Palestine Refugees

66. The UNRWA medium-term strategy for 2016–2021 presents the statement of intent for Agency operations. However, the proposed programme budget for 2016–2017 was formulated within the framework of the previous medium-term strategy for 2010–2015. For this reason, the present report is structured against the framework of the medium-term strategy for 2010–2015. That strategy provided direction for the Agency under four human development goals: a long and healthy life, acquired knowledge and skills, a decent standard of living and human rights enjoyed to the fullest.

A. Goal 1
A long and healthy life

67. UNRWA continued to deliver primary health care to Palestine refugees through 143 facilities. Notwithstanding gains with regard to average daily medical consultations, the antibiotic prescription rate and ensuring that hospital care is available for the most vulnerable, the incidence of non-communicable diseases continues to rise. By way of response, the Agency introduced new tests, medicines and public-awareness campaigns to promote the prevention of non-communicable diseases and condition management. Maternal and child health outcomes, including immunization rates, remain strong, although UNRWA continues to investigate areas in which services can be further improved.

68. In Gaza, persistent insecurity, occasional outbreaks of violence and restrictions on the movement of persons and goods have resulted in deep poverty and distress among the resident population. Currently, an innovative pilot project in Gaza is aimed at fully integrating mental health care and psychosocial support within the provision of Agency primary health-care services, allowing medical staff to address patient care in a more holistic manner. These services are projected to expand within Gaza and to other fields in 2017.

69. The conflict in the Syrian Arab Republic has placed a considerable burden on the provision of health care. UNRWA continued to prioritize the provision of essential, life-saving care. Exceptional Agency efforts allowed for the introduction of the health management e-health information system[15] into three health centres. Expansion to further health centres in the country is expected in 2017 as the security situation, infrastructure and connectivity allow.

70. UNRWA also improved the overall public health environment through the rehabilitation of water supply, sewerage and drainage systems in priority areas, in appropriate cooperation with local authorities and without prejudice to the Agency's position concerning the responsibility of host authorities to administer camps.

[15] Including a patient appointment mechanism that contributes to a more streamlined workload for doctors and improved service coverage and quality.

Strategic objective: to protect, preserve and promote the health status of Palestine refugees

Expected accomplishment	*Indicator of achievement*	*Measurement*	
		Unit of measure	*Percentage*
(a) Universal access to quality, comprehensive primary health care	Antibiotic prescription rate	Baseline (2016)	25.0
		Target (2016)	25.0
		Actual (2016)	24.5[a]
(b) Protection and promotion of family health	Percentage of women attending at least four antenatal care visits maintained	Baseline (2016)	90.2
		Target (2016)	90.3
		Actual (2016)	89.8
(c) Prevention and control of diseases	(i) Immunization coverage rate against vaccine-preventable diseases maintained	Baseline (2016)	95.0
		Target (2016)	95.0
		Actual (2016)	99.3
	(ii) Percentage of shelters formally connected to the public water network	Baseline (2016)	100.0
		Target (2016)	100.0
		Actual (2016)	99.98[a]
	(iii) Percentage of shelters formally connected to the public sewerage network	Baseline (2016)	90.24
		Target (2016)	92.63
		Actual (2016)	91.87[a]

[a] Excluding the Syrian Arab Republic.

Outputs

- Provision of 8,553,518 medical consultations to Palestine refugees, almost 61 per cent of which were provided to females
- Notwithstanding the conflict, 927,913 primary health-care consultations were provided in the Syrian Arab Republic
- 168,737 Palestine refugees aged 40 and above were screened for diabetes, a year-on-year increase of 8.9 per cent
- Subsidies were provided to 101,990 patients receiving secondary/tertiary hospitalization care
- A total of 15 per cent of UNRWA health centres were renovated to improve patient care
- By the end of 2016, all 117 health centres across the Agency, excluding the Syrian Arab Republic, were implementing the family health team approach.[16] The transition to the approach has begun in the Syrian Arab Republic, with a projected completion time frame of mid-2017. In addition, e-health, an electronic medical records system that contributes to improved efficiency and the collection of high-quality data, was operational across all health centres in Lebanon and Gaza and is expected to be fully operational in both Jordan and the West Bank in 2017 and operational in the Syrian Arab Republic as the security situation, infrastructure and connectivity allow

[16] The family health team approach is a person-centred primary health-care package focused on the provision of comprehensive and holistic care, emphasizing long-term provider-patient/family relationships, designed to improve the quality, efficiency and effectiveness of health services, especially for non-communicable diseases.

B. Goal 2
Acquired knowledge and skills

71. UNRWA operates 702 schools in its five fields of operation that provide free basic education to more than half a million Palestine refugee children. The overall success of the education programme throughout the Agency, subsequent to the official "end" of the education reform, shows that the reform and ongoing efforts to embed, build on and sustain the achievements of the past five years are beginning to bear fruit.

72. The 2015–16 school year was marked by a decrease in Agency-wide cumulative dropout rates, overall improvement in student achievement in monitoring of learning achievement tests and a strengthened textbook review process,[17] notwithstanding challenges faced at the start of the academic year, when schools nearly did not open owing to Agency funding gaps. The ongoing blockade in Gaza, war in the Syrian Arab Republic and its effects in Jordan and Lebanon and the continued occupation in the West Bank also had an impact on the overall external school environment.

73. Of particular note are the achievements in the Syrian Arab Republic, which saw some of the lowest dropout rates of all fields of operation and showed strong achievement in the monitoring of learning achievement. Factors that may have contributed to that positive outcome include the combined approach of education system strengthening, through the implementation of the reform, and innovation through alternative learning spaces, UNRWA Television, self-learning material, additional psychosocial support, summer learning and catch-up classes.

Strategic objective: to meet the basic educational needs of Palestine refugees, in particular children and young people, and to improve their educational opportunities

		Measurement	
Expected accomplishment	*Indicators of achievement*	*Unit of measure*	*Percentage*
(a) Universal access and coverage of basic education	(i) Reduced dropout rate of pupils in the elementary education cycle	Baseline (2016)	1.46
		Target (2016)	2.47[a]
		Actual (2016)	1.25
	(ii) Reduced dropout rate of pupils in the preparatory education cycle	Baseline (2016)	3.23
		Target (2016)	3.45[a]
		Actual (2016)	2.84
(b) Improved educational quality and outcomes against set standards	Percentage of students meeting required levels in:		
	(i) Grade 4 Arabic, Male	Baseline (2016)	41.7
		Target (2016)	43.1
		Actual (2016)	49.4
	(ii) Grade 4 Arabic, Female	Baseline (2016)	67.2
		Target (2016)	69.3
		Actual (2016)	75.6
	(iii) Grade 4 Mathematics, Male	Baseline (2016)	22.4
		Target (2016)	22.7
		Actual (2016)	24.8

[17] Monitoring of learning achievement tests were conducted in all UNRWA schools (in grades four and eight) for 60,000 students.

Expected accomplishment	*Indicators of achievement*	*Measurement*	
		Unit of measure	*Percentage*
	(iv) Grade 4 Mathematics, Female	Baseline (2016)	35.15
		Target (2016)	35.6
		Actual (2016)	34.11
	(v) Grade 8 Arabic, Male	Baseline (2016)	39
		Target (2016)	39.9
		Actual (2016)	37.7
	(vi) Grade 8 Arabic, Female	Baseline (2016)	71.4
		Target (2016)	72.8
		Actual (2016)	74.5
	(vii) Grade 8 Mathematics, Male	Baseline (2016)	34.1
		Target (2016)	34.5
		Actual (2016)	50
	(viii) Grade 8 Mathematics, Female	Baseline (2016)	50.5
		Target (2016)	51
		Actual (2016)	64.8

[a] The establishment of this target predated the finalization of actuals from the previous year. For this reason, the target is a higher value than the baseline.

Outputs

- Quality, inclusive and equitable education provided to 515,260 Palestine refugee children
- During the 2015–16 school year, UNRWA exceeded Agency-wide targets for cumulative dropout rates in the elementary and preparatory cycles for both girls and boys
- 2016 monitoring of learning achievement results reflected improvement in the proportion of students meeting "achieved and advanced" performance levels, increased mean scores in higher-order thinking skills and a reduced percentage of students at the "not achieved" performance level
- Compared with the 2014–15 school year, the percentage of sections with more than 40 students increased from 21.26 per cent to 38.88 per cent in the 2015–16 school year. This increase in large class sections is due to the class formation planning ceiling of 50 students per class (for purpose-built schools) adopted for the 2015–16 school year owing to austerity measures. The percentage of class sections with 25 students or fewer has remained relatively stable, from 5.98 per cent in 2014–15 to 5.97 per cent in 2015–16
- At the beginning of the 2016–17 school year, the Agency-wide education management information system was launched, with the student module successfully implemented in all schools in all fields of Agency operation
- Human rights, conflict resolution and tolerance training reached 18,769 education staff, including all UNRWA teachers, by the end of 2015. During the 2015–16 school year, school-level planning and top-up training workshops were held in all schools to reinforce the initial training. A total of 17,466 education staff received top-up training during the 2015–16 school year

- A total of 41 schools were either upgraded or reconstructed in 2016 to meet Agency education reform, protection and safety requirements

C. Goal 3
A decent standard of living

74. UNRWA aims to ensure Palestine refugees have a decent standard of living through interventions by its relief and social services programme, microfinance programme and infrastructure and camp improvement programme, in collaboration with host Governments and national and international partners.

75. Of 254,520 Palestine refugees that received social safety net programme assistance in 2016, 158,862, or 62 per cent, were identified as abject poor under a proxy means testing formula that assesses essential characteristics to identify and prioritize the poorest of the poor. Of those recipients, 42 per cent were women and 10 per cent were persons with disabilities.

76. The UNRWA education programme directly contributes to Palestine refugee livelihoods by increasing employability through its technical and vocational education and training programme. While Agency-wide female employment rates for programme graduates, excluding the Syrian Arab Republic, decreased slightly to 76.28 per cent for 2015 graduates from 77.26 per cent for 2014 graduates, male Agency-wide employment rates increased from 80.14 per cent for 2014 graduates to 87.58 per cent for 2015 graduates.

77. In 2016, the microfinance programme extended 39,161 loans, with a total value of $39,780,417, and achieved a milestone in generating a net income of $2,263,992.

78. Camp improvement works had a positive impact on local economies by driving community demand for construction materials while generating employment opportunities for residents. In this regard, the Agency estimates that more than 3,310 full-time equivalent jobs were created in 2016 for Palestine refugees. In addition, works in solid waste disposal, drainage and water and sewerage systems were carried out to prevent the spread of disease.

79. In 2016, UNRWA established 15 formal partnerships in support of livelihood activities for Palestine refugees. Through those agreements, 4,440 individuals benefited from partner-led livelihood activities in Jordan, Lebanon and the West Bank.

Strategic objective: to improve the standard of living of Palestine refugees through services provided to the poor and vulnerable

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Reduced poverty among the poorest Palestine refugees	Percentage of abject poor among the beneficiaries of the UNRWA social safety net programme	Baseline (2016)	57.58
		Target (2016)	62.4
		Actual (2016)	62.42[a]

[a] Excluding the Syrian Arab Republic.

Outputs

- In addition to the 254,520 Palestine refugees who received support under the social safety net programme in 2016, food or multipurpose cash assistance was provided to 851,642 in Gaza, 45,978 in the West Bank, 412,062 in the Syrian Arab Republic, 32,042 in Lebanon and 14,548 in Jordan under emergency funding. In addition, temporary job opportunities were provided to 23,429 refugees throughout the occupied Palestinian territory

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Sustained access to employment for Palestine refugees	Female and male employment rates for graduates within 12 months of graduation maintained		
	Female	Baseline (2016)	77.26
		Target (2016)	63.25
		Actual (2016)	76.28[a]
	Male	Baseline (2016)	80.14
		Target (2016)	72.94
		Actual (2016)	87.58[a]

[a] Excluding the Syrian Arab Republic.

Outputs

- Training in technical and vocational skills was provided to 7,082 students. Under the technical and vocational education and training, all fields have showed concerted efforts to support vulnerable groups, specific to their contexts. In Jordan, the percentage of "vulnerable groups" (social safety net programme beneficiaries and other field specific vulnerable groups) enrolled in 2015–16 was 31.08 per cent; in Lebanon, 41.46 per cent; in the Syrian Arab Republic, 65.8 per cent; in the West Bank, 38.5 per cent; and in Gaza, 82.76
- The implementation of the technical and vocational education and training strategy, with its nine thematic building blocks, continued, with specific emphasis placed on quality assurance and the norms and standards for staffing structures in all fields

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Substandard camp infrastructure and accommodation upgraded	The number of refugee families living in rehabilitated shelters	Baseline (2016)	1 040
		Target (2016)	2 733
		Actual (2016)	449[a]

[a] Excluding the Syrian Arab Republic.

Outputs

- Years of underfunding (shelter rehabilitation is entirely dependent on project funding) have severely curtailed infrastructure and camp improvement programme implementation in all areas of UNRWA operation. Those constraints accounted for achievements that fell well below targets
- Under emergency funding, 5,410 shelters were rehabilitated in Gaza

Expected accomplishment	*Indicator of achievement*	*Measurement*	
		Unit of measure	*Value Number*
Inclusive financial services and access to credit and saving facilities are increased[a]	(i) The value of loans disbursed (in United States dollars)	Baseline (2016)	37 898 797
		Target (2016)	46 877 877
		Actual (2016)	39 780 417
	(ii) The number of loans disbursed	Baseline (2016)	38 193
		Target (2016)	44 709
		Actual (2016)	39 161

[a] UNRWA microfinance does not operate in Lebanon.

Outputs

- In 2016, 14,125 loans, valued at $18,872,790, were extended to Palestine refugees, corresponding to 36 per cent of the total number of clients (39,161) with loans and almost 50 per cent of the total disbursed value ($39,780,417)
- Women continued to be prioritized as loan recipients, with 15,926 loans (valued at $12,956,227) being disbursed to women, of which 5,954 loans were extended to women refugees (valued at $5,790,138), which marked a 7.2 per cent increase in outreach to women compared with 2015. In addition, 11,337 loans were disbursed to young borrowers (valued at $11,590,634), of which 4,041 loans ($4,761,650) or 36 per cent were extended to Palestine refugee young people

D. Goal 4
Human rights enjoyed to the fullest

80. UNRWA aims to ensure that Palestine refugees enjoy human rights to the fullest extent possible by providing protection in and through its service delivery and by promoting greater respect for international law. Palestine refugees continue to face protection challenges owing to the lack of a just and durable solution to their plight, the ongoing conflict in the Syrian Arab Republic, almost 50 years of occupation in the occupied Palestinian territory, almost 10 years of blockade in Gaza and a precarious legal status in some host countries.

81. Significant advances were made in both strengthening the Agency's protection response and mainstreaming protection standards in all programming. In that regard, the formal establishment of the UNRWA headquarters Protection Division in January 2016, coupled with the continued institution of dedicated protection teams in all Agency fields of operation and the development of a new gender equality strategy for 2016–2021 and child protection framework, served as important milestones.

82. UNRWA continued to take steps to mainstream protection into its service delivery. According to a revised protection audit methodology used for the first time in 2016, the degree of alignment with Agency protection standards in all aspects of programming was 56 per cent, while 74 per cent of previous audit recommendations were partially or fully implemented. The lack of resources, awareness-raising and systems represented primary obstacles to further integration.

83. UNRWA continued to consolidate its multisectoral approach to prevent and respond to gender-based violence, with a focus on emergencies and the development of key guidance documents. The Agency also continued to work on reducing the gender gaps and addressing gendered vulnerabilities in services provided. The

development of disability inclusion guidelines served to help to mainstream disability into service delivery, with new commitments made to improve accessibility to UNRWA premises for persons with disabilities.

84. The lack of comprehensive case management and referral systems remains a key challenge, with guidelines for addressing protection cases and the rollout of a protection database further developed to address that.

85. UNRWA continued to advocate for the rights of Palestine refugees through private and public advocacy, although results were difficult, given the challenging operational context. A total of 26 per cent of advocacy interventions yielded a positive response. The Agency continued to engage with the international human rights system and other relevant forums by addressing key protection concerns. It also provided information on Agency services in relation to the initial State party reports of the State of Palestine.

Strategic objective: to safeguard and advance the rights of Palestine refugees

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
(a) Increased awareness of and respect for the rights of the Palestine refugees	Percentage of UNRWA interventions on protection issues that prompt positive responses from authorities	Baseline (2016)	33.0
		Target (2016)	36.0
		Actual (2016)	25.73
(b) Rights, safety and dignity of Palestine refugees promoted and protected	Degree of alignment with UNRWA protection standards in all aspects of programming	Baseline (2016)	46.0
		Target (2016)	49.0
		Actual (2016)	56.4

Outputs

- A total of 249 advocacy interventions were implemented on a range of protection issues
- A total of 7,076 individuals were identified as experiencing a general protection risk, of whom 87.9 per cent were assisted
- A total of 6,074 survivors of gender-based were identified, of whom 89.2 per cent were extended assistance
- A total of 2,541 children were identified as experiencing a protection risk, of whom 86.2 per cent were assisted
- A total of 2,767 Agency personnel received protection training
- A total of 10,525 people received or were referred to legal counselling
- At least 30,509 people were provided with psychosocial support
- Eighteen submissions and briefings made to the international human rights system

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Palestine refugee status and eligibility for UNRWA services protected	Percentage of new inscriptions meeting UNRWA standards maintained	Baseline (2016)	99
		Target (2016)	95.5
		Actual (2016)	90.39

Output

- The refugee registration information system continued to facilitate the application of UNRWA consolidated eligibility and registration instructions, significantly improved the Agency's ability to monitor transactions and processes and ultimately served refugees in a more dignified and efficient way

Endnote

86. UNRWA was established pursuant to General Assembly resolution 302 (IV) of December 1949. The Agency is a subsidiary body of the Assembly and became operational on 1 May 1950, responding to the needs of some 750,000 Palestine refugees. It is one of the largest United Nations programmes, with a population of 5.34 million registered Palestine refugees under its mandate at the end of 2016 and some 31,000 staff. Palestine refugees are defined as "persons whose normal place of residence was Palestine during the period of 1 June 1946 to 15 May 1948, and who lost both home and means of livelihood as a result of the 1948 conflict" and include descendants through the male line.

87. The mission of the Agency is to assist Palestine refugees in achieving their full potential in human development until a durable and just solution is found to the refugee issue. The Agency fulfils its humanitarian and human development mandate by providing protection and essential services to Palestine refugees in Gaza, the West Bank, Jordan, Lebanon and the Syrian Arab Republic. Its services include basic and, in Lebanon, secondary education, comprehensive primary health care, emergency relief, social interventions, microfinance, shelter and infrastructural support.

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